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TAGS: [ECON](#) [ETRD](#) [PGOV](#) [PHUM](#) [VM](#)
SUBJECT: WELL-PLACED VIETNAMESE CONTACTS DOWNPLAY PROSPECTS
FOR LEADERSHIP CHANGES

REF: A. HANOI 783
[1](#)B. HCMC 714

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Classified By: Pol. Counselor Brian Aggeler for Reasons 1.4 (B and D)

[1](#)1. (C) Summary: The Communist Party of Vietnam's 181 Central Committee (CC) members met October 2-4 to hash out "guidance" for the government on Vietnam's current economic situation. This was the third plenum to take place this year. Well-placed contacts told us CC members came together to promote the image that they are tackling the concerns of ordinary Vietnamese such as high inflation. These contacts voiced skepticism that a "leadership crisis" looms, citing the fact that businessmen and their Party friends continue to do well despite recent economic bumps in the road. End Summary.

[1](#)2. (C) A note on sources: This cable draws from conversations October 2-15 with Nguyen Van Hung, Party External Relations Commission officer; Tran Nhung, former editor of the military's mouthpiece, "Quan Doi Nhan Dan"; Le Kien Thanh, a prominent businessman and son of former Party Secretary General Le Duan; and, Tran Bat, Chairman of InvestConsult (protect all).

The Central Committee Meets

[1](#)3. (SBU) The Communist Party of Vietnam's (CPV) 181 Central Committee (CC) members (including 21 non-voting alternates) convened in Hanoi from October 2-4 to discuss the impact of the global financial crisis on Vietnam, curbing inflation and the then upcoming National Assembly (NA) sessions. This was the third CC plenum in 2008; on average, the CC meets only two times per year. Some international press accounts characterized the most recent plenum as an "emergency session" that exposed major divisions within the Party hierarchy over the path Vietnam should follow. One press piece speculated that a "leadership crisis" looms if these divisions further widen.

Contacts Weigh In

[1](#)4. (C) Several Embassy contacts, who have been frank with us in the past about leadership wrangling, told us that CC members aired different opinions about the causes and consequences of high inflation and the global economic crisis. However, these contacts took pains to note that the most recent plenum was not a hastily arranged "emergency session." Party External Relations Commission's Nguyen Van Hung and former editor of the military's mouthpiece Tran Nhung separately told us that, while the plenum was an unusually short three days, it may actually have been precedent setting in that CC members may now meet regularly before NA sessions. (Note: The current NA session started on

October 16 and is continuing. End Note). This is because the Party wants to "guide" discussions within the NA, they explained.

15. (C) It also makes sense for CC members to get together to discuss "guidance" given the current economic climate, Hung and Nhung said. CC members want to show that they are taking domestic inflation and the global economic situation seriously and are pushing corrective measures, Hung stated.

Looming Leadership Changes?

16. (C) Hung, Nhung, InvestConsult's Tran Bat and Le Kien Thanh (a prominent businessmen and son of former Party General Secretary Le Duan) each told us in separate conversations that different Party factions' business interests remain generally happy with how they are doing. These Party factions do not want the economic applecart to be knocked off course by personnel reshuffles at the highest levels, Nhung and Thanh told Poloff. Vietnam has not been as greatly impacted by the global financial crisis as other countries and Vietnam's inflation rate has come down a bit of late, Colonel Nhung added. Recent economic developments also provide evidence that no major personnel changes loom, Nhung assessed.

17. (C) Thanh added that he is deeply frustrated with Prime Minister Nguyen Tan Dung for not allowing he and his business partners to open a bank. He stressed, however, that most Party members do not have the same level of frustration with the current regime. In fact, businessmen and their Party and Government friends are getting richer every day and are working to preserve the status quo, he added. The only way Vietnam would experience a "leadership crisis" before the

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next Party Congress would be if the "interest groups" behind Vietnam's top leaders stop making money, Thanh declared.

Comment: Discussing Important Matters of State

18. (C) What was new about this most recent plenum was its short duration. However, given the current economic climate, it would have been odd if CC members decided to project a "business as usual" attitude and not meet to discuss the bread and butter concerns of ordinary Vietnamese. That differences over which path Vietnam should follow were aired does not necessarily mean a "leadership crisis" is on the horizon. The economic rationale for leadership stability presented by our interlocutors closely parallels reftel analysis of leaders using and/or abusing SOEs to solidify political support by distributing patronage and graft to all CPV segments. End Comment.

19. (U) This cable was coordinated with ConGen Ho Chi Minh City.
MICHALAK